



BOARD OF COUNTY COMMISSIONERS

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

TO: Clackamas County Board of Commissioners
FROM: Everett Wild, Policy Advisor, County Administration
Shannon Callahan, H3S Housing and Community Development Division Director
RE: Supportive Housing Services (SHS) Reform Activities Update and Engagement
DATE: January 21, 2025

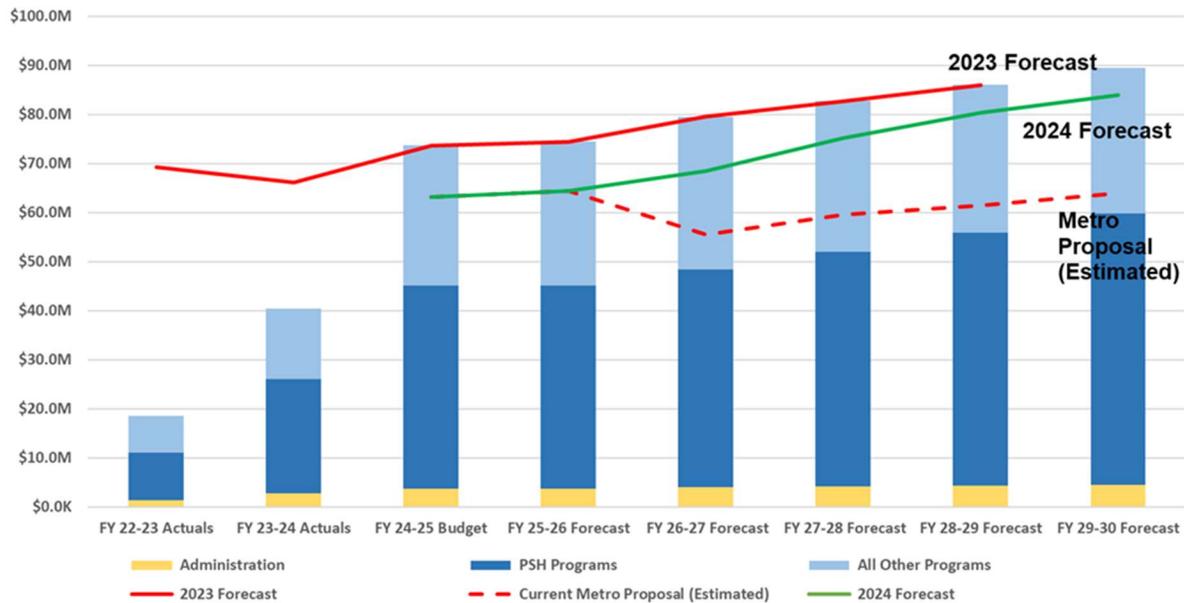
REQUEST: Staff will provide an update to the Board on the Metro Supportive Housing Services (SHS) reform activities to date and seek Board direction on future engagement.

BACKGROUND: On October 17, 2024, Metro Council passed a resolution on Supportive Housing Services (SHS) reform activities to establish its priorities for an integrated and expanded regional supportive housing services and affordable housing program. The priorities in the resolution follow and expand on the Recommendation for the Future of Regional Housing Funding issued by the Metro Chief Operating Officer on July 9, 2024.

On Friday, January 10, Metro President Peterson released her priorities to the press:

- Extending the tax sunset to 2050;
- Lowering the tax rate (to 0.9% beginning in 2026 and 0.75% in 2031) and increasing the tax threshold by indexing for inflation;
- Establishing a new oversight structure; and
- Expanding the use of the SHS funds to include building more affordable housing.

Health, Housing, and Human Services (H3S) staff have presented several times on the possible financial impacts of what Metro is considering. Due to the nature of the conversation (multiple stakeholders, many scenarios, various elements under consideration, a changing revenue forecast) a financial picture is difficult to develop. However, the graph below illustrates generalized impacts Clackamas County may experience through the current forecast period:



Metro is considering a multi-part legislative package to advance their effort: “Some of these elements [listed above] would go into a potential measure ordinance, while others may be established by Council via contemporaneous and/or future action contingent upon a measure’s passage.”¹

Metro released their draft ordinances (“Measure Ordinance” and “Companion Ordinance”) and discussed them at a January 16, 2025, work session. The ordinances reinforce most of the same priorities as Metro President Peterson’s January 10, 2025, press release and reinforce specific areas of concern. One of the most significant changes is that the ordinances leave blank a specific tax reduction percentage.

The first hearing on the ordinances will be held by Metro on Thursday, January 30 at 10:30am. On Thursday, January 23, 2025 at 10:30am, Metro will discuss potential tax rate reductions—filling in the blank in the draft ordinances.

On January 7, the Board approved a letter to Metro Council sharing the County’s policy positions on the proposed reform elements. Based on the content of the draft ordinances, attached is a draft letter that asks Metro to pause on referring a measure to the voters while recognizing that some governance changes can be made within the existing IGA framework.

¹ Metro work session document for Jan. 16, 2025 “Integrated and Expanded Regional SHS/Affordable Housing Program: Proposed Policy Package

Multnomah County and the Metropolitan Mayor's Consortium have also sent letters asking Metro to pause on a ballot measure.

OPTIONS:

1. Submit the attached updated letter to Metro for inclusion in the public record of the January 23, 2025 Metro hearing.
2. Direct staff to engage with Metro in a different manner.
3. Take no action at this time.

RECOMMENDATION: Staff recommends Option 1: "Submit the attached updated letter to Metro for inclusion in the public record of the January 23, 2025 Metro hearing."

ATTACHMENTS: DRAFT Clackamas County letter
Multnomah County letter (January 9, 2025)
Metropolitan Mayor's Consortium letter (January 15, 2025)

DRAFT Board of County Commissioners Letter

January DRAFT, 2025

Metro Council
600 NE Grand Ave.
Portland, OR 97232

RE: Supportive Housing Services Measure Reform
VIA EMAIL

Dear Metro President Peterson and Councilors:

It has been over a year since Metro President Peterson approached the tri-county chairs to discuss a change in the Supportive Housing Services (SHS) measure. Since then, Metro has held discussions with counties, cities, and other stakeholders. However, those discussions have never produced clear alignment. We are yet to see Metro incorporate feedback it has received. To the contrary, Metro's draft ordinances reinforce our longstanding areas of concern.

Clackamas County has engaged with Metro at every opportunity, including stakeholder tables, extensive individual staff- and elected-level conversations, meetings with the tri-chairs and Metro leadership, testimony at public hearings, and numerous letters. Our most recent letter, dated January 7, outlined our policy concerns and priorities for any potential changes to the SHS program. While Clackamas County has been willing to work collaboratively, our recommendations—and those of the other counties—are not reflected in Metro's draft ordinances.

Clackamas County has made numerous, significant achievements since the beginning of the SHS program. In just three and a half years, we have housed over 2,000 people, created 210 shelter beds, and prevented 3,300 evictions. And, we have reduced homelessness by 65% since 2019!

We attribute this success to our unique policy priorities. In early 2023, the Board of County Commissioners adopted a resolution establishing a Recovery Oriented System of Care. The resolution states that “all efforts to address homelessness in which the County and its employees engage must be concentrated on helping all residents participate in realizing their full human potential, by ensuring shelter, psychiatric, behavioral health and addiction care for all who need it.” We fundamentally believe in Clackamas County that recovery is possible.

If we are to combat homelessness in our region, we must address not just the availability of affordable housing *units*, but the creation of an entire continuum of care that encompasses in-patient and out-

patient substance use treatment (detox and medical stabilization), behavioral health services, primary care, peer support, skill building, and strategies to foster belonging and community. The SHS measure has provided us with an unprecedented opportunity to close historical service gaps by investing in this full continuum.

We recognize that homelessness crosses jurisdictional borders and is a regional issue, and we are committed to the establishment of regional Key Performance Metrics. Yet, we are deeply concerned about language in the draft ordinances that appears to constrain counties' ability to tailor services and programs to our unique needs and populations—and committing us to do more with less resources.

Any radical changes to this program will significantly impact the most vulnerable individuals and families in our community. This destabilization may not only result in the loss of housing and services but also the loss of the public's trust in all of us as local elected leaders. Based on Metro's own polling results, SHS "reforms" are likely to fail at the ballot box—causing more harm than good to our shared effort to deliver results and build public confidence in the SHS program.

The existing intergovernmental agreement (IGA) between Metro and the County does allow for some course correcting. We urge you to postpone a vote on extending the measure sunset and reducing the tax rate. Instead, we encourage you to conduct meaningful and collaborative discussions with county partners—the boots on the ground implementing the program—to build consensus around course corrections and an eventual ask of the voters.

The voters trusted us to address the regional homelessness crisis. The counties and our service partners are achieving the goals. We must continue to respond with real outcomes, transparency, and better communication.

Thank you,

Sincerely,

DRAFT

Dear Metro Council Members,

Multnomah County is committed to addressing, resolving, and preventing homelessness. The voter approved Supportive Housing Services (SHS) Program funds have provided us the resources to do this.

Building on learnings from the first two years of the SHS Program, we are now making huge strides to deliver on — and exceed — our commitments to voters and other partners in our community. We are implementing, refining, and growing our continuum of services to get more people off the street, back into housing, and helping them with the services that most benefit them.

- In FY 2024 alone, we helped place 2,322 people into housing using SHS dollars. That's a 76% increase over our SHS outcomes last year.
- Rapid rehousing programs in particular, saw especially impressive outcomes. We placed 1,510 people in rapid rehousing last fiscal year with SHS dollars, more than double our goal.
- We support the operations of 52 shelters systemwide, with over 2,700 shelter beds open right now and another 280 shelter beds being added this year.
- We fund Supportive Housing, and this year we will have 1,901 apartments funded across the County, representing 85% of our 10-year goal of 2,235 units.
- We respond to experts and providers about what it takes to make a long-term impact on housing stability. We increased funding for Permanent Supportive Housing from \$10,000 per household to \$15,000 to \$17,500 for projects meeting set criteria.

Just as our community is seeing unprecedented alignment and clear momentum toward our SHS goals, Metro's proposal to change direction would risk slowing our progress. As the Metro Council considers changes to the SHS Program, we want to express our commitment to our shared goals: reducing unsheltered homelessness, creating pathways to permanent housing, more transparency in how funds are spent, and clearer performance measures.

Now is not the time to make radical changes to the SHS Program that could reduce our ability to make progress. We ask that the Metro Council hold off on making changes until we better understand the overall impact of these changes, including reductions in revenue.

Significant changes to oversight need more vetting to make sure any changes represent the interests of the community for transparency and accountability while balancing the need for Counties' approval based on our processes and not adding a layer of administrative requirements.

As we see it, based on the most recent polling conducted by Metro, we do not see significant support for a ballot measure that would pass in May the way it's proposed now. It would be a mistake to take this to the voters prematurely.

Lastly, we have three new Commissioners, and we need adequate time for the full Board to understand all of the proposed changes from Metro and other partners.

The Multnomah County Board asks the Metro Council to pause on a ballot referendum until we have an agreed upon and politically viable plan going forward.

Multnomah County is committed to continued conversation with Metro and regional partners to improve the efficacy of the SHS Program. We want to show that we are working together, that we are open and honest, and that we are responsible and accountable to voters. We are confident that by working together, we can succeed in our commitments.

Thank you,



Jessica Vega Pederson
Chair



Meghan Moyer
Commissioner District 1



Shannon Singleton
Commission District 2



Julia Brim-Edwards
Commissioner District 3



Vince Jones-Dixon
Commissioner District 4

MMC

Metropolitan Mayors' Consortium

Mayor Lacey Beaty
City of Beaverton

Mayor Brian Hodson
City of Canby

Mayor Jeffrey Dalin
City of Cornelius

Mayor
City of Durham

Mayor Keith Kudrna
City of Fairview

Mayor Malynda Wenzl
City of Forest Grove

Mayor Michael Milch
City of Gladstone

Mayor Travis Stovall
City of Gresham

Mayor Tom Ellis
City of Happy Valley

Mayor Beach Pace
City of Hillsboro

Mayor
City of King City

Mayor Joe Buck
City of Lake Oswego

Mayor Michelle Montross
City of Maywood Park

Mayor Lisa Batey
City of Milwaukie

Mayor Ariel Goodwin
City of North Plains

Mayor Denyse McGriff
City of Oregon City

Mayor Keith Wilson
City of Portland

Mayor Tim Rosener
City of Sherwood

Mayor Heidi Lueb
City of Tigard

Mayor David Ripma
City of Troutdale

Mayor Frank Bubenik
City of Tualatin

Mayor Rory Bialostosky
City of West Linn

Mayor Shawn O'Neil
City of Wilsonville

Mayor John Miner
City of Wood Village

Metro Council
600 N Grand Ave
Portland, OR

January 14th, 2025

VIA EMAIL

Re: Supportive Housing Services Measure Reform

Dear Metro President Peterson and Councilors,

The Metropolitan Mayors' Consortium, representing the mayors of twenty-five cities in the Portland Metro Area that collectively home over 1.7 million Oregonians, shares your concerns about the uncertain future of the Supportive Housing Services measure and its impacts on our thousands of unsheltered constituents. With voter confidence in SHS shrinking by the month, **we urge you to delay referral of any SHS extension measure until we have agreement at all local levels of government in our region and increased public sentiment.**

The MMC appreciates the forums for ongoing dialogue that you have established with the cities, counties, business groups, and service providers. We are appreciative of the several times that President Peterson and senior leadership at Metro have joined meetings of the full MMC and its Executive Committee. Individual Metro Councilors have maintained open doors to hearing the concerns of the region's Mayors. In addition to participating at the Stakeholder Advisory Table level, MMC members also presented at a smaller Metro table on December 10th. The MMC urged delay on referral at that meeting out of concern for lost voter confidence and highlighted these key remaining accountability issues:

- Metro SHS audit recommendations should be implemented prior to measuring renewal,
- Metro, Counties, and Cities must work through the complex issue of allocation,
- Concerns over administrative fees must be addressed,
- An outside performance audit is needed to develop the program into an effective, efficient, and collaborative model.

In short, shared oversight reform must be implemented and demonstrated to work effectively before we seek voter approval of an extension.

Notably, the SHS proposal as written provides neither certainty nor adequacy of funding for city-led homelessness initiatives. The proposal also does not address the cost to city budgets of supporting affordable housing, most acutely experienced through lost revenue from waived system development charges and property tax breaks. Cities have no interest in reducing or supplanting from services delivered by our respective counties. Rather, we remain optimistic that we can collaborate to ensure that critical services delivered by cities are eligible for and funded by the SHS measure and data transparency concerns that presently betray the public's trust can be remedied. Metro has worked hard to engage regional partners, and it is crucial that it not truncate that engagement in a rush to a May ballot.

The region's mayors remain your partners in serving our region. We remind you that we have until 2030 before the existing SHS measure expires. Please delay referral while together we achieve governance and transparency improvements that can build the public's trust and improve outcomes.

Sincerely,

A handwritten signature in black ink, appearing to read "L Beaty". The signature is fluid and cursive, with the first letter "L" being particularly large and stylized.

Chair Lacey Beaty, on behalf of the Metropolitan Mayor's Consortium